84- 3044 /

SEDCO

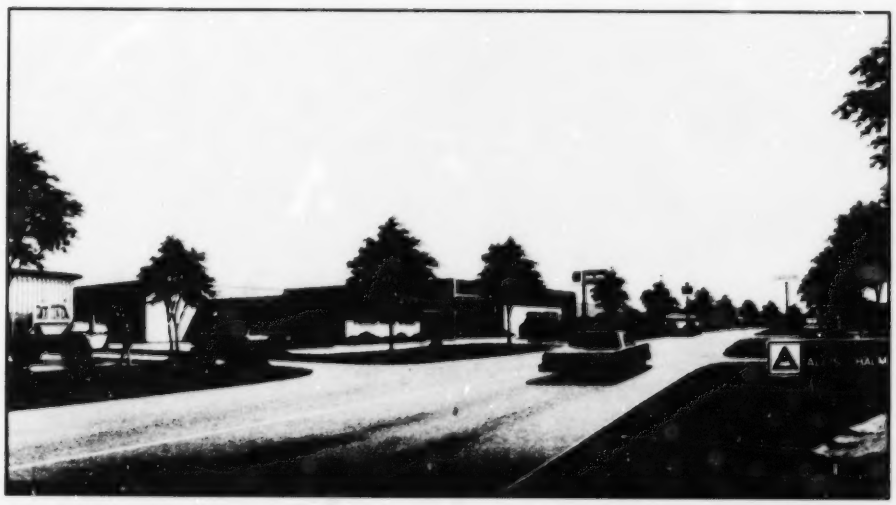
Saskatchewan Economic
Development Corporation

Annual Report 83

The Corporation

The Saskatchewan Economic Development Corporation (SEDCO) was established in 1963 as a vehicle to facilitate the development of industry in Saskatchewan. This function is carried out by providing capital, industrial land, buildings, and plants.

With the completion of 21 years of operation, the Corporation's assets totalled $162.4 million. Through its Regina head office and branch offices in Saskatoon and Prince Albert, SEDCO continues to promote economic activity in the province by providing a constantly evolving range of financial and property services.



An artist's rendering depicts the future look of the main entrance to AgriPlace Business Centre in Saskatoon. AgriPlace is an agribusiness park planned to house major dealerships and retail outlets serving the business needs of the farming community.

Letter of Transmittal

March 15, 1984

To His Honour,
The Honourable Fredrick W. Johnson
Lieutenant-Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Economic Development Corporation for the year ended December 31, 1983, including the financial statements in the form required by the Treasury Board and duly certified by the Provincial Auditor in accordance with the Industrial Development Act.

I have the honour to be, Sir,

Your obedient servant,

Jack Klein,
Minister of Tourism and Small Business,
Minister Responsible,
Saskatchewan Economic Development Corporation

Hon. Jack Klein

Corporate Review

The second decade of operation of the Saskatchewan Economic Development Corporation ended with a year of retrenchment and consolidation. Many aspects of the Corporation's operations experienced changes during the year. Because change brings challenge, 1983 was a year filled with constant evaluation and adjustment.

The Corporation altered its general direction to enhance the promotion of economic growth and to attract industry to the province. Emphasis for new business was focussed on financial assistance and services to encourage activity in the areas of manufacturing and processing, and to enterprises related to tourism. As well, priority was placed on managing and marketing developed industrial park sites and the completion of projects initiated previously.

Further, the Government of Saskatchewan amended the Regulations to the Industrial Development Act to permit a wider range of private sector involvement in the delivery of the Corporation's property services.

A significant change in corporate structure occurred when, for the first time in the Corporation's history, a businessman from the private sector was appointed chairman of the Board of Directors. The appointment was part of a policy initiated by the Government to replace elected Cabinet ministers as chairmen of all Crown corporations. With this new policy, the Minister of Tourism and Small Business, whose ministerial responsibility was made to include the Corporation mid-way through 1983, continued to serve on the Board as vice-chairman.

Late in 1983, the Corporation underwent a significant reorganization

Ted Hanlon, Chairman of the Board (left) and P. D. (Phil) Sampson, Chief Executive Officer (Acting)

and consolidation achieving a more effective and efficient structure. The main thrust of the restructuring was to encourage increased economic activity by the private sector with SEDCO serving as a catalyst providing the services to encourage development.

Economic development plays a role in creating employment. SEDCO's activities during the year have helped to create and maintain an estimated total of 1,030 direct jobs in the province. Those achievements were effected in the most part by the Corporation's efforts in debt restructuring, general funding and consultative services to clientele.

A combination of loan prepayments and maturities, and a general decline in loan activity throughout the year, resulted in a decrease of the Corporation's loan portfolio. Refinancing of some of SEDCO's clients by other lenders

demonstrates the Corporation's role as a catalyst in encouraging economic growth while complementing rather than competing with private sector financial services.

In spite of SEDCO's efforts throughout the reporting period, a hesitant economic and investment climate, nationally and internationally, contributed to the general decrease in overall activities by the Corporation. National and worldwide economic conditions also created marketing and operational difficulties for a number of SEDCO's clients, necessitating a significant additional provision for doubtful accounts. The advantage of hindsight reveals that had a greater allowance for bad debts been established during the more affluent years of the past decade, the accumulated provision would have served to offset the dramatic effects felt in 1983. The Corporation's 1983 operating loss of $11.5 million was directly attributable to this bad-debt estimate provided for during the year under review.

Several major occurrences during 1983 will impact notably upon the provincial economic base. Threadfast Manufacturing Ltd., whose move from Vancouver to Swift Current was spurred by that city's economic development department and facilitated by SEDCO financing, reached full-scale operations in 1983. Employing approximately 105 local people, this firm has become one of the largest private-sector employers in southwest Saskatchewan.

Also during the year, financial assistance from SEDCO provided for a multi-million dollar modernization and plant expansion of MacMillan Bloedel (Hudson Bay) Limited which will contribute a conservatively projected estimated $168 million to Saskatchewan's Gross Domestic Product during the 10-year period from 1983 to 1992.

Development of the first phase of AgriPlace Business Centre, a 250-acre agribusiness industrial park in Saskatoon, was near completion and ready for its first resident dealership at year-end.

Further developments in industries engaged in agricultural processing, export marketing, high technology research and development, and in manufacturing during 1983 have helped to expand and reinforce Saskatchewan's economic base.

With optimism and confidence, SEDCO will proceed into its third decade by continuing its current aims and objectives to be a catalyst and facilitator to economic advancement and development in the province. In this light, the Corporation will pool resources with other government agencies and departments to attract industrial development to the province that holds great promise for the future.

Ted Hanlon
Chairman of the Board

P. D. (Phil) Sampson
CEO (Acting)

Board of Directors

(Seated, from left)
Laurianne A. Dellabough,
Realtor,
Moose Jaw

Ted Hanlon,
Chairman of the Board,
Swift Current

Jack Klein,
Minister-in-Charge,
Vice-Chairman, Regina

Larry A. Kyle, Q.C.,
Barrister & Solicitor,
Regina

(Standing, from left)
Warren Radloff,
Farmer,
Star City

J. Ross Reibling,
Business Executive,
Regina

Brian J. Keple,
Business Executive,
Regina

Douglas R. Osborne,
Chartered Accountant,
Regina

Peter E. Zakreski,
Business Executive,
Saskatoon

(Missing from photo)

Herb Pinder, Jr.,
Business Executive,
Saskatoon

Ian Disbery,
Board Secretary,
Regina

Project Development

As part of the corporate reorganization late in the year under review, administration of financial and property services was consolidated into one operating division. This amalgamation formed the Project Development Division and accommodated a new approach in the delivery of SEDCO's services with a stronger emphasis toward a unified method of financing and developing client projects.

The Division's activities for most of the year, however, centered around reacting to the difficulties many clients experienced which were, in the most part, caused by depressed market conditions. On behalf of these clients, SEDCO reviewed numerous options and implemented the most beneficial approaches. Tailored to each individual situation, and ranging from restructuring original loan arrangements to emergency funding, the approaches implemented attempted to increase the probability of preserving or protecting investment in the province. The value of this experience, incorporated into SEDCO's own programs, will be reflected in 1984 activities.

Financing activities during 1983 consisted of loans, guarantees and equity investments, while property activities centered around completion of development projects that were underway, the operation of facilities and marketing of existing property holdings.

During 1983, 24 loans and guarantees were approved totalling $20.9 million compared with 71 approvals totalling $14.2 million in the previous year. At year-end SEDCO's total loan portfolio consisted of 382 loans and guarantees with an aggregate value of $134.3 million.

The most significant addition to SEDCO's loan portfolio during 1983 was a $14.8 million term loan provided to MacMillan Bloedel (Hudson Bay) Limited for expansion and modernization of its 24-year-old waferboard manufacturing plant. The impact of this investment to the province will be substantial. It is estimated that the level of expenditure within the province through the company's plant operations, manufacturing and marketing will be close to $21 million during 1984 and will reach approximately $43 million per annum by 1992. At the same time, 60 to 70 per cent of the goods produced by the company will be exported to the United States while the remainder will serve markets in Western Canada.

In 1983, financial support also helped establish Plimco Polymers Ltd., an ultra-modern manufacturer of plastic products in the province — the first of its kind in Saskatchewan. The newly-established manufacturer's product serves food, medical and other technical industry markets throughout Western Canada and the United States.

As well, additional financial assistance to Pro-Star Mills 1982 Ltd., a firm engaged in high-technology food processing, allowed it to penetrate international export markets. Utilizing locally-grown field peas, the company processes a product that is increasingly being recognized as a valuable protein concentrate and food supplement for both humans and animals.

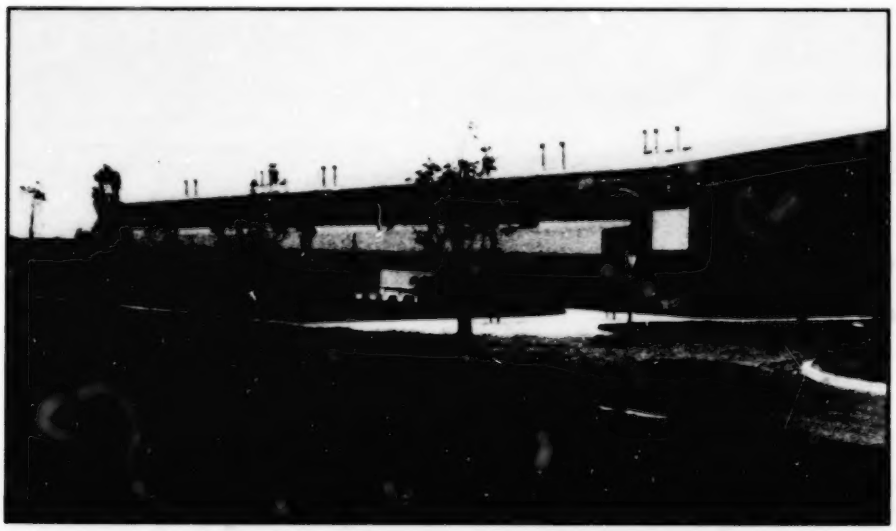
Through its equity participation, the Corporation shares risk in order to preserve or expand existing industry or to attract new investment to the province. In 1983, approved equity investments totalled $0.85 million. This represents a decrease from the amount invested during the period one year earlier which was $2.1 million, and is reflective of the decline in investments and expansions generally. At year-end 1983, SEDCO had share investments in 20 Saskatchewan companies totalling $4.4 million. The Corporation's

investments made in 1983 included manufacturers of plastics products and irrigation equipment, and a firm engaged in food processing.

Not only did SEDCO provide financial assistance to a manufacturer of high-technology scientific and industrial equipment, but also accommodated the client with serviced land. The immediate availability of developed land at Holiday Park Industrial Centre in Saskatoon enabled expeditious plant relocation and expansion in a mutually advantageous environment conducive to high technology. This type of multi-purpose packaging demonstrates SEDCO's increased emphasis toward providing combined services, with clients benefitting by having their requirements attended to by one agency. The Corporation anticipates more activity of this nature as investors become more and more confident in Saskatchewan's future.

The slight upward trend experienced in property sales beginning late in 1982 continued into 1983 with sales totalling $2.9 million compared with $0.7 million a year earlier. In addition to the increase in property sales, other activities in the delivery of property services were significant.

The first phase of AgriPlace Business Centre, a 250-acre agricultural business park located in Saskatoon was essentially completed by year-end. Commitments have been received from five dealerships to locate at the park with their construction scheduled for 1984. AgriPlace is an $18 million development intended to house all national agricultural dealerships and supporting services, facilitating one-stop-shopping for farmers. To further cater to the agricultural community, AgriPlace was strategically located to provide uncomplicated movement of farm machinery and equipment, and to give easy access to all services farmers may require.



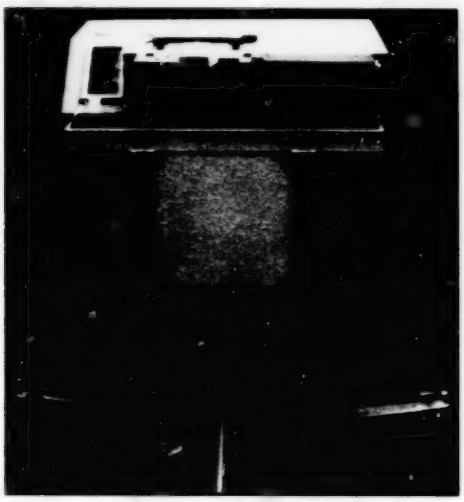
Research and development is essential to technological advancement in all fields. Facilitating pilot plant and testing activities, Innovation Mall, located at Innovation Place research park in Saskatoon, was completed during 1983.

Finishing touches were made to the new building which was constructed specifically for, and leased to, Hospital Laundry Services of Regina. Officially opened in 1983, the building represents a co-operative effort which has resulted in one of the most modern and energy-efficient hospital laundry facilities in North America. The move of this long-time SEDCO tenant to the larger building containing new electronic and mechanical technology will increase plant efficiency by 25 per cent. As a result, the laundry service is better able to supply requirements to all Regina hospitals as well as numerous others located in surrounding southern Saskatchewan communities.

At Innovation Place research park in Saskatoon, 1983 saw the completion of construction of Innovation Mall — a 2,500 square metre, 2-storey, multi-tenant complex. Reaching 62 per cent occupancy by year-end, Innovation Mall is fast becoming the focal point for pilot plant and research work in Saskatchewan. Included among the present tenants are: Philom Bios Inc., I. D. Systems, Elanco, and laboratories from the public sector.

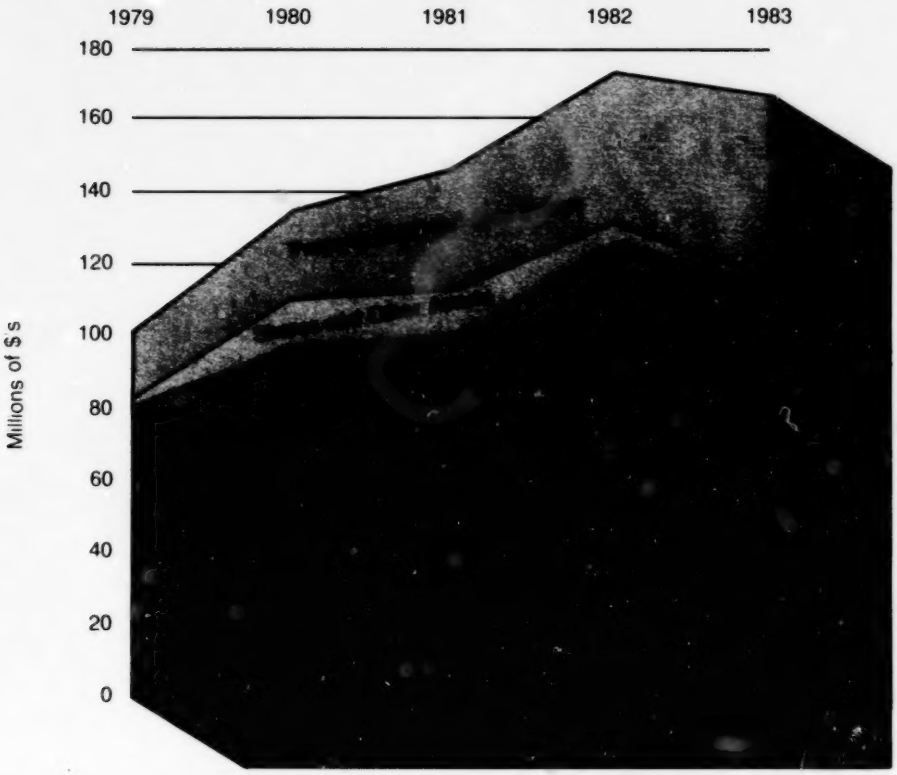
The relocation of the National Hydrology Research Institute from Ottawa to Innovation Place was announced in 1982 and construction of the building is planned to begin in 1984.

SEDCO Centre, the core of Innovation Place, became the location of the Corporation's Central Regional Branch office late in 1983. The office was moved from the downtown location as part of the reorganization and cost-cutting exercises SEDCO achieved during the year.

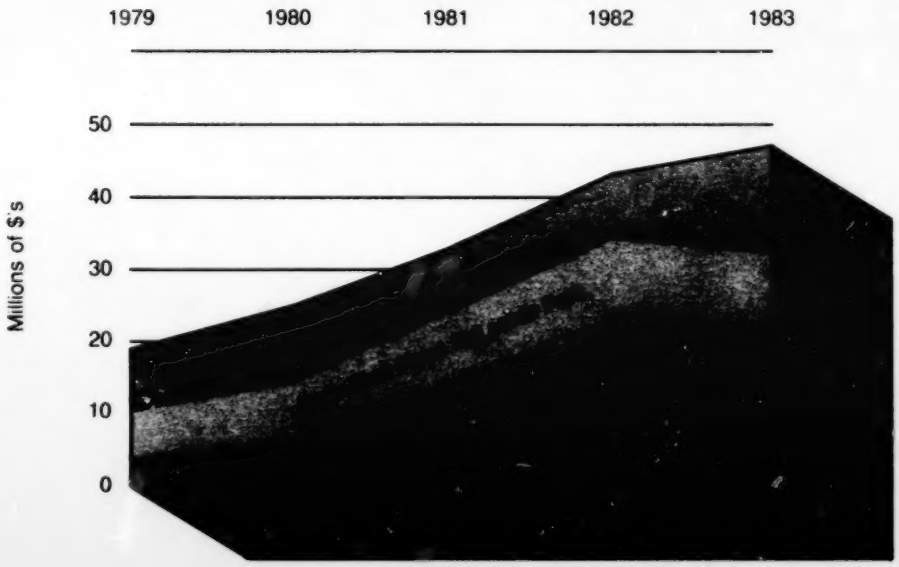


Flexible financial packaging and affordable, available industrial land are two main ways that SEDCO assists Saskatchewan businesses. Sci-Tec Instruments Inc. of Saskatoon took advantage of these services to expand the design, development and manufacture of specialized high tech scientific and industrial instrumentation.

Assets



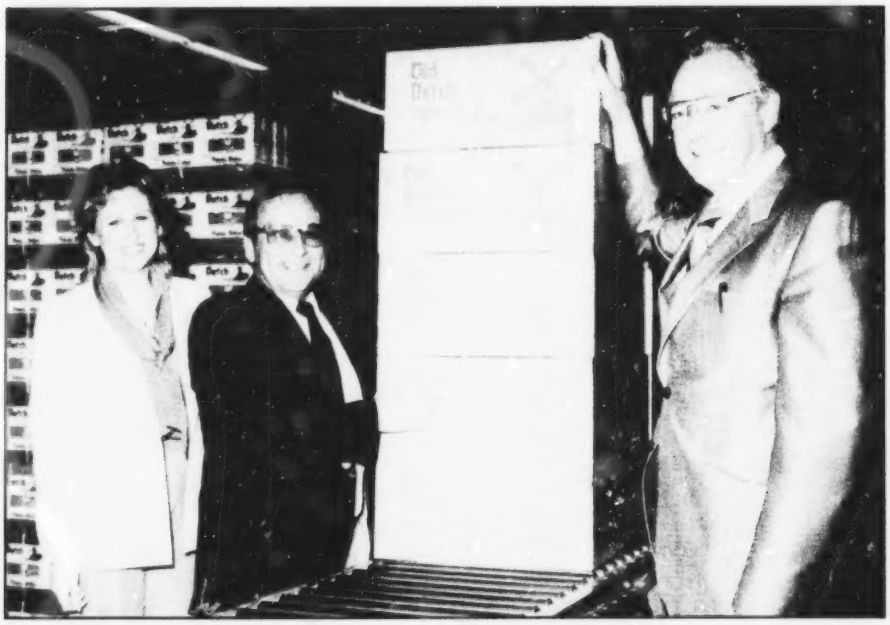
*Property Holdings



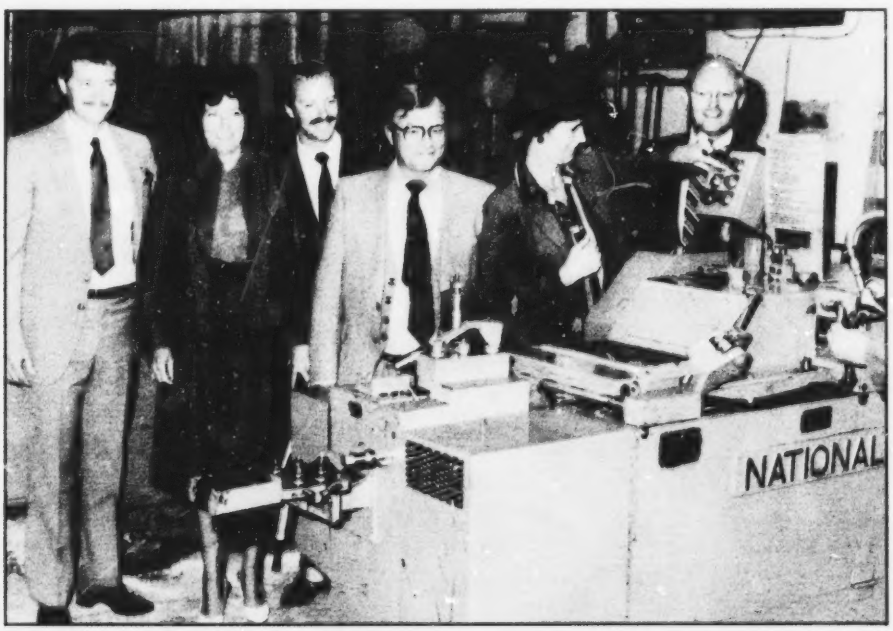
Project Financing — Approvals

	December 31, 1983		December 31, 1982	
	No.	Dollars	No.	Dollars
Economic Sector				
Manufacturing	11	$20,613,630	22	$ 9,164,000
Retail	12	261,000	36	2,684,887
Service	—	—	11	2,145,000
Tourism	1	65,000	—	—
Agriculture	—	—	2	240,225
	24	$20,939,630	71	$14,234,112
Size of Distribution				
$ 0-50,000	12	$ 261,000	37	$ 795,575
50-100,000	2	115,000	6	410,312
100-250,000	3	655,000	13	2,279,225
250-500,000	4	1,259,630	8	2,702,000
500-1,000,000	—	—	4	2,609,000
1,000-1,500,000	1	1,125,000	1	1,000,000
Over 1,500,000	2	17,524,000	2	4,438,000
	24	$20,939,630	71	$14,234,112
Geographic Distribution				
Regina and Saskatoon	5	$ 3,312,700	24	$ 4,411,600
Small Cities	9	2,375,930	26	5,671,725
Towns and Rural	10	15,251,000	21	4,150,787
	24	$20,939,630	71	$14,234,112

Note: Does not include renewals and/or assumptions.



The Hon. Jack Klein (centre), Minister of Tourism and Small Business and Minister-in-Charge of SEDCO officially opened the new warehouse and distribution centre for Old Dutch Foods Ltd. in Holiday Park Industrial Centre in Saskatoon. Joining him in the ceremony were Jo-Ann Zazalenchuk, MLA for Saskatoon Riversdale and Saskatoon Mayor Cliff Wright.



One of Southwestern Saskatchewan's leading private sector employers, Threadfast Manufacturing Ltd., was officially opened by the Hon. Pat Smith (second from right), MLA for Swift Current. More than 100 local people are employed full time by the firm manufacturing and packaging metal fasteners for Canadian markets.

Financial Review

The Corporation again found it necessary to set aside a significant provision for estimated future losses. Although actual write-offs amounted to only $0.8 million during 1983, it was deemed prudent to further increase the allowance for doubtful accounts by $11.4 million. At the end of the year under review, the accumulated allowance amounted to $23.1 million.

Fifty loans totalling $11.0 million were paid out in advance of maturity during 1983 compared to 15 prepayments in 1982 totalling $2.2 million. The majority of these clients had loans which were written in previous years at high, fixed rates. In 1983, they were able to take advantage of SEDCO's restriction-free policy on early payout and refinanced at falling short-term rates offered by other lenders.

In spite of these prepayments, gross revenue for the Corporation increased over the previous year by 9.9%, achieving a level of $19.6 million. Property rental income also increased and accounted for $3.3 million of that revenue in 1983 compared to $2.9 million in 1982.

During 1982, SEDCO's base lending interest rate for new loans reached 17.25%. Early in 1983, this was reduced and held at 13.75% for the remainder of the year.

During the year under review, there was a significant increase in borrowing costs for the Corporation compared with the previous year. Interest expense of $13.4 million represented a 27.2% increase over the previous year's amount of $10.6 million. This increase was due to a greater proportion of SEDCO's assets being funded by debt in 1983 than in 1982, and at higher effective interest rates. At the end of 1983, corporate debt amounted to 83.9% of total assets compared to 77.8% in 1982.

Rental property expenses decreased by 5.5% from 1982. In proportion to rental income, these expenses were less in 1983 (at 37%) than in 1982 (at 44%).

All other expenses incurred during the reporting period were not only less in absolute terms than for the previous year, but also in proportion to gross income which, in 1983, was 21.6% compared to 27.3% of total income in 1982.

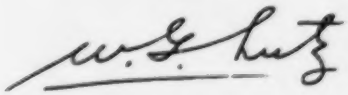
Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Economic Development Corporation as at December 31, 1983 and the statements of operations and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Economic Development Corporation as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan
February 10, 1984



W. G. Lutz, F.C.A.
Provincial Auditor

Statement of Financial Position

As at December 31

	Note Reference	1983	1982
		(in thousands)	
Assets			
Loans (net)	3	$110,760	$125,329
Share investments	4	3,669	4,028
Property holdings	5	46,646	43,068
Other		1,279	921
		$162,354	$173,346
Liabilities and Province's Equity			
Liabilities			
Accounts payable and accrued liabilities		$ 4,593	$ 5,312
Mortgage payable		—	1,000
Notes payable and long term debt	6	136,147	133,897
		140,740	140,209
Province of Saskatchewan's Equity			
Advances	7	28,702	28,702
Contributed surplus	8	158	158
Retained earnings (deficit)		(7,246)	4,277
		21,614	33,137
		$162,354	$173,346

(See accompanying notes)

Statement of Operations and Deficit

Year Ended December 31

	Note Reference	1983	1982
		(in thousands)	
Revenue			
Revenue from loans and investments		$ 16,133	$ 14,997
Revenue from properties	9	3,454	2,826
		19,587	17,823
Expenses			
Interest		13,435	10,564
Rental property expenses		1,225	1,296
General corporate expenses		4,236	4,874
		18,896	16,734
Net earnings, before the undernoted items		691	1,089
Bad debt expense	10	12,214	9,635
Write-down of property value from cost		—	471
Net Loss		(11,523)	(9,017)
Retained earnings, January 1		4,277	13,294
Retained earnings (deficit), December 31		$ (7,246)	$ 4,277

(See accompanying notes)

Statement of Changes in Financial Position

Year Ended December 31

	Note Reference	1983	1982
		(in thousands)	
Financial Resources were provided by:			
Operations			
Net loss		$ (11,523)	$ (9,017)
Depreciation	5	685	494
Provision for losses	10	12,214	9,635
Write-down of property value from cost		—	471
		1,376	1,583
Increase in short term borrowings	6	—	14,750
Long term borrowings	6	15,000	35,000
Mortgage assumed		—	1,000
Payments received on loans receivable		22,241	12,487
Redemption of short term investments — net		—	8,819
Book value of property holdings sold		2,743	294
Book value of share investments sold		962	267
		$ 42,322	$ 74,200
Financial Resources were used for:			
Decrease in short term borrowings	6	$ 12,750	$ —
Repayment of Mortgage		1,000	—
Repayment of long term borrowings	6	—	12,000
Loan disbursements		15,208	43,641
Share investments		611	2,051
Purchase of property holdings		7,005	10,940
Other		5,748	5,568
		$ 42,322	$ 74,200

(See accompanying notes)

Notes to Financial Statements

December 31, 1983

1. Significant Accounting Policies

a) **Revenue from Leasing Operations:**
The Corporation uses the "Sales-Type method" of accounting for leases which contain an option to purchase the leased property. Unearned lease income, representing the excess of the gross amount receivable on lease contracts over the cost of the assets leased, net of the estimated residual value, is recorded when a lease is executed and taken into rental income in monthly amounts directly related to the declining balance of the unrecovered investment in the leased assets.

b) **Allowance for Doubtful Accounts:**
Financing accounts, investments and rents in arrears are reviewed on a regular basis by management and losses incurred including liquidation expenses are written off. A provision is also set aside for estimated possible future losses. Interest revenue is not accrued for accounting purposes on loans where a write-off is anticipated.

c) **Depreciation:**
Depreciation is calculated using the straight line method at rates varying from 2 percent to 33⅓ percent.

d) **Property Under Development:**
Estimated total development costs are taken into consideration in calculating gains on sale of parcels of land forming part of industrial development. Gains from sales are recognized at the dates unconditional offers to purchase are approved by the Corporation.

The Corporation includes interest, taxes, insurance, and fees as part of the cost of property under development. Salaries and expenses of personnel directly involved in property development are also capitalized, in situations where capital worth is added.

e) **Investments:**
The Corporation uses cost rather than the equity method of recording its share investments in companies where significant influence exists on the part of SEDCO in the affairs of the investee corporations. The Corporation's investments are developmental in nature, and realization of any profits or losses of the investee corporations is not assured to the extent that the Corporation records such profits or losses in its accounts. If recorded, the net loss for 1983 would have increased by $53,639 (1982 — increase $766,490) and the deficit at the end of 1983 would have decreased by $240,052.

2. Status of the Corporation

The Corporation was incorporated in 1963 pursuant to The Industrial Development Act. The financial results of the Corporation are included in the consolidated financial statements of the Crown Investments Corporation of Saskatchewan.

3. Loans

	1983	1982
	(in thousands)	
Loans principal receivable*	$124,373	$131,005
Interest accrued and receivable	7,647	4,582
Loan costs receivable	1,031	163
Assets held for realization	—	402
	133,051	136,152
Accumulated provision for doubtful accounts	22,291	10,823
	$110,760	$125,329

*Includes loans of $2,464 thousand (1982 — $2,748 thousand) which, in the event of default, have been conditionally guaranteed by the Province of Saskatchewan, upon the Legislature appropriating funds to meet the need.

4. Share investments

	1983	1982
	(in thousands)	
Shares at cost*	$ 4,436	$ 4,787
Accumulated provision for doubtful investments	767	759
	$ 3,669	$ 4,028

*Includes investments of $1,900 thousand (1982 — $1,900 thousand) which, in the event of default, have been conditionally guaranteed by the Province of Saskatchewan, upon the Legislature appropriating funds to meet the need.

5. Property Holdings

	Cost	Accumulated Depreciation	Book Value 1983	Book Value 1982
			(in thousands)	
Property under development for industrial purposes	$ 23,426	$ —	$ 23,426	$ 25,929
Lease option less unearned income of $987,074 (1982 — $1,817,528)	881	—	881	1,316
Land	2,296	—	2,296	2,092
Buildings, improvements and equipment	22,956	3,485	19,471	13,491
Office furniture and equipment	525	296	229	240
Properties held for disposal	343	—	343	—
	$ 50,427	$ 3,781	$ 46,646	$ 43,068
For sale or lease	$ 49,106	$ 3,296	$ 45,810	$ 42,198
For own use	1,321	485	836	870
	$ 50,427	$ 3,781	$ 46,646	$ 43,068

Included in property under development for industrial purposes are certain properties carried at approximately 40% of cost for a value of $1,106 thousand (1982 — $1,064 thousand) of which 60% of specified costs were recovered under the Canada/Saskatchewan Northlands Agreement.

Depreciation for the year amounted to $685 thousand (1982 — $494 thousand). The average depreciation rate for assets was 2.9 percent (1982 — 2.9 percent).

6. Notes Payable and Long Term Debt

		1983	1982
		(in thousands)	
Notes Payable			
Department of Finance 9.8%		$ 2,000	$ —
Crown Investments Corporation of Sask. Bank Prime		—	14,750
		$ 2,000	$ 14,750
Long Term Debt			
Province of Saskatchewan			
November 1, 1985	8.50%	23,500	23,500
*June 1, 1991	7.20%	5,000	5,000
*June 3, 1994	8.46%	7,383	7,383
*October 1, 1995	9.34%	3,857	3,857
*June 1, 1998	9.41%	8,407	8,407
		48,147	48,147
Crown Investments Corporation of Saskatchewan			
June 2, 1985	11.50%	20,000	20,000
July 22, 1986	15.75%	16,000	16,000
August 18, 1987	16.625%	15,000	15,000
December 29, 1987	11.75%	10,000	10,000
December 29, 1987	11.75%	10,000	10,000
December 21, 1988	10.75%	15,000	—
		$ 86,000	$ 71,000
Total of all notes payable and long term debt		$136,147	$133,897

*Debt totalling $24,647 thousand (1982 — $24,647 thousand), with an original term of 20 years, is subject to redemption on 6 months' notice.

7. Equity Advances

These advances are interest free and are payable at the discretion of the Crown Investments Corporation of Saskatchewan. No such advances were received in 1983.

8. Contributed Surplus

From time to time and for a nominal amount the Corporation receives surplus Crown Properties having industrial potential. No such properties were transferred to SEDCO in 1983.

9. Revenue from Properties

The corporation recorded gains of $164 thousand on sale of properties in 1983 (loss of $106 thousand — 1982).

10. Allowance for Doubtful Accounts

	1983	1982
	(in thousands)	
Balance, January 1	$11,647	$ 3,079
Less: Accounts written off, net of recoveries	787	1,067
	10,860	2,012
Add: Bad debt expense	12,214	9,635
Balance, December 31	$23,074	$11,647

11. Remuneration of Directors and Senior Officers

The Corporation's ten directors received $37 thousand in directors' fees in 1983 (1982 — $36 thousand). The six senior officers (1982 — seven) received, in aggregate, $316 thousand in salaries for 1983 (1982 — $392 thousand).

12. Contingent Liabilities

As at December 31, 1983, the Corporation was contingently liable under loan guarantees in the amount of $1,291 thousand. Security continues to be held against these guarantees.

13. Commitments

a) The total amount not yet disbursed on loans approved is $10,070 thousand.

b) The Corporation has approved guarantees which were in force but not used at December 31, 1983 amounting to $1,328 thousand.

c) The costs to complete properties approved for development approximate $10,445 thousand.

14. Related Party Transactions

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan controlled departments, agencies and corporations with which the Corporation is related.

Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

Other amounts owing to related parties and their terms of settlements are described separately in the financial statements and the notes thereto.

Management Group

From the left, Comptroller (Acting), Joe Durwael, RIA; Chief Executive Officer (Acting), P. D. (Phil) Sampson; Director, Administration, R. E. (Jerry) Cheslock; and, Vice-President, Project Development, G. Wayne Thompson.

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For additional copies of this Annual Report or for further information on SEDCO programs in all areas of operation, kindly contact:

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The Hon. Jack Klein (right), Minister-in-Charge of SEDCO, officially opened the new energy-efficient building constructed for Hospital Laundry Services of Regina by presenting the "key" to Minister of Health, Graham Taylor.

Representatives of the newly established Plimco Polymers Ltd., Regina, put their signatures to documents which finalized the formation of the new manufacturing firm. Present for the signing ceremony were, from the left, Adam Myles, Capwest Services Ltd.; Cliff Ronden; John Hardy, Charterhouse Canada Limited; and seated, Phil Sampson, Acting CEO, SEDCO. Missing from the photo is the President of Plimco Polymers Ltd., Grant Bennett.

POOR

QUALITY

ORIGINAL